

17 MAY 1984

1- OLL
1- Senate
Supplemental

MEMORANDUM FOR: Deputy Director of Personnel for Special Programs

FROM:

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Liaison Division
Office of Legislative Liaison

SUBJECT: Meeting with Special Counsel to Senator Stevens (R,AK) on Senate Governmental Affairs Subcommittee on Civil Service, Post Office, and General Services

1. I met with Jamie Cowen on 15 May 1984 in order to obtain an update on all legislative action in the Senate that might affect federal employee allowances, entitlements, and benefits during this session of the 98th Congress. The issues we discussed included supplemental retirement, the Federal Employee ~~Federal~~ Benefit Program, merit pay, the Senior Executive Service, and the Fiscal Year 1985 cost of living allowance (COLA) adjustment.

2. Senator Stevens and his key supplemental retirement advisors have evidently finished conceptualizing the broad outline of the supplemental retirement legislation he will introduce in the Senate. In addition, he is well into the decision-making process on many of the key details of the plan. The Senator will have his bill ready for introduction immediately after the November election, in the event that the Congress is reconvened in special session. The Senator will not share the details of his legislation with anyone before the November elections except Senator Roth, Chairman of the Committee on Governmental Affairs and the Director of the Office of Personnel Management (OPM). Mr. Cowen is under explicit direction not to discuss either the broad outline or the specific details of this legislation with anyone. I was advised that almost no one is even aware that the Senator is as far along on the legislation as he is, and that he does not want this information to become generally available. I agreed to be discreet and to only use the information in official reporting.

3. It is beginning to become more apparent that no Federal Employee Health Benefits Program legislation will emerge from the Senate this year. Mr. Cowen advised that the pressure from the insurance industry for some action is off completely, and that Senators Stevens and Durenberger have so far been unable to satisfactorily reconcile their differences on a mutually acceptable bill. That, plus the diminishing time available in this session of Congress, makes any action almost totally unlikely.

4. Mr. Cowen anticipates serious trouble in the Senate with the merit pay bill it previously passed (S.958) if the House couples merit pay with pay equity (as was done earlier this week at the subcommittee level). Our primary interest, I think, still lies with the Senior Executive Service provisions in this legislation rather than with the merit pay provisions themselves.

5. Mr. Cowen advised that the OPM has just issued a very interesting report on compensation in the federal government for Fiscal Years 1981 and 1982. It is entitled FY 1981 and FY 1982 Compensation Report, number BRI 40-93, dated April, 1984. It is available from OPM and he (Cowen) thought that we would be interested in obtaining one or more copies.

6. The only other federal employee issue current in the Senate is the annual COLA adjustment. At issue is both the amount of the adjustment and its effective date. This issue will be included in the Budget Reconciliation bill that is currently being drafted. Floor action could come as early as next week. A 3.5% adjustment effective 1 January 1985 is, I am told, the likely outcome in the Senate.

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